

ECO202Y1Y - Macroeconomic Theory and Policy

Dept. of Economics, University of Toronto, Prof. Tyler Paul
Sections L0101, L0201, and L0301, Fall 2025 – Spring 2026

Course Quercus

<https://q.utoronto.ca/courses/397462>

Course Description

This course introduces the model-based approach to studying macroeconomics. We will use mathematical frameworks to identify the mechanisms behind real-world phenomena, such as why some countries grow faster than others or how economies recover from major shocks. By the end of the course, you will be able to analyze events within a formal framework and generate clear predictions and policy recommendations.

Learning Objectives

This course has six key learning objectives:

- 1) Articulate the likely macroeconomic consequences of real world events and policy interventions through the lens of a mathematical model
- 2) Recognize a set of facts about macroeconomic activity and appreciate how they inform our modeling assumptions
- 3) Describe three different theories of long-run economic growth and compare their ability to explain real world data
- 4) Use the IS-MP-PC and AS/AD models to analyze how output, inflation, expectations and interest rates adjust following supply and demand shocks
- 5) Analyze fiscal and monetary policy options for rectifying business cycle fluctuations
- 6) Identify the microeconomic foundations of modern macroeconomic theory

Course Delivery

This course will be taught **fully in-person** at the St. George campus. We will meet weekly for a two-hour lecture and a one-hour tutorial.

Weekly attendance in lecture and tutorial is **mandatory** and forms part of your course grade (see below for details). During lectures I will present core course material from the textbook and other sources as well as work through practice problems with you. Lectures will be recorded and posted online to Quercus to help you review while studying. All tests and assessments will be **in person**.

Tutorials are an opportunity for you to practice course content together with classmates and receive support from the TAs. Each tutorial will have a brief summary of that week's key topics before you work on solving a problem set. You are encouraged to work in groups and ask the TAs for help when you get stuck.

Required Textbook

Macroeconomics, by **Charles I. Jones**, **6th edition**. The text is available through the U of T bookstore. We will be using the book extensively so ensure you have access to a copy. **Do not use the 5th edition**, as several chapters have changed significantly.

Technology Policy

To access course materials and submit assignments you will need internet access. To receive lecture participation credit you will need to purchase an iClicker subscription. The cheapest method is to buy a 1-year subscription from the UofT bookstore:

<https://www.uoftbookstore.com/product/354570>

Office Hours

I will hold in-person office hours on **Tuesdays from 11am-12:30pm in room GE346** of the Department of Economics. I will also hold virtual office hours on **Zoom on Fridays from 11am-12pm**. You can find the link on Quercus. If these times are not well attended I may adjust them to ensure more students have access. The TAs will hold in-person and virtual office hours on a rotating schedule which is available on Quercus.

Communication

I will post course announcements to Quercus, which will automatically email your U of T address by default. Make sure your notification settings allow announcements to be forwarded to your email. You are responsible for reading all announcements. All course material will be posted to Quercus.

All questions regarding course logistics and administration should be directed to the course email account: eco202y1y.b@course.utoronto.ca. This inbox will be monitored by Department of Economics staff who can answer any queries regarding scheduling, assignment due dates, accommodations, etc. If they are unable to help you they will forward your request directly to me.

If you have a personal matter you wish to discuss privately please contact me at tyler.paul@utoronto.ca. **I will not answer content or administrative questions at this address.** You can expect a reply within three business days of emailing me.

Questions relating to course content are best answered during lecture, tutorials, or in office hours. Additionally we will use **Piazza** as an online discussion board. Piazza allows you to post questions (anonymously if you prefer) to your classmates and the TAs. If you know the answer to another student's question feel free to reply, and the TA will mark your answer as correct if they agree. The board will be monitored daily by a TA and myself, and we will answer as many questions as we have time to each day. You can access Piazza through a link in the sidebar on Quercus.

Grades, Assignments, and Important Dates

Assignment	Weight	Due date
Class participation (20)	5%	Every lecture
Tutorial participation (15)	10%	Every tutorial
In-class writing assignments (2)	10%	Fall: 11/17/25 Spring: 3/23/26
Midterms (3)	50%	MT1: 10/20/25 MT2: Fall final exam period MT3: 2/23/26
Final exam (1)	25%	Spring final exam period

Lecture Participation

During each lecture I will ask you to answer several questions regarding the material using your iClicker app. Responding to **the majority of questions** during lecture will earn participation credit for that day worth 0.25% of your overall grade. Occasionally missing a question due to using the restroom, phone problems, etc. will not lose points. I will **automatically drop four classes** from your participation grade, which means you only need to participate **in 20 lectures** to receive the full 5 marks. There will be no accommodations offered for missed participation points.

Tutorial Participation

Each in-person tutorial will have a problem set that you must complete and submit to receive participation credit for that week. You will receive full credit worth $\frac{2}{3}\%$ of your overall grade as long as you earnestly attempt to solve the problem set, even if your answers are incorrect or incomplete. Failing to submit your work during tutorial or submitting an empty paper will receive zero credit. There will be 18 total tutorials, but I will **automatically drop 3 tutorials** from your grade, which means you only need to participate **in 15 tutorials** to receive full marks. There will be no accommodations offered for missed tutorials.

In-class writing assignment

Once per term you will complete an in-person writing assignment worth 5% of your overall grade. During the assignment you will read selections from popular news articles and answer a series of prompts using words only (i.e. no formulas or symbols). The goal of this assignment is to give you practice interpreting real world events using the models and tools from class. It will also help you learn how to explain economic analysis in an easily understood way. Both of these skills are highly valued by employers.

Midterm and Final Exam

There will be three midterms. Midterms 1 and 3 will be held during normal tutorial hours (Mondays from 1-3pm) and each worth 15%. Midterm 2 will be during the Fall final exam period and worth 20%. Midterm 2 will cover all content from the Fall semester. The final exam will be

cumulative and thus longer than the midterms. All tests will be closed book. I will post more details about each test as we approach them.

Regrade Requests

Regrade requests must be submitted online through a link which we will post to Quercus. You have **one week following the date the form is posted** to submit a regrade request. After one week we will not honor any regrade requests. When submitting a regrade request please be as specific as possible regarding why you believe your test deserves more points.

Missing Tests Due to Unforeseeable Events

Under normal circumstances, the failure to take a test during the designated time will result in a zero for that test. On rare occasions we will grant special accommodations due to illness, injury, legal issues, personal/family problems, extracurricular conflicts, religious practices, accessibility concerns, or other unusual and serious situations. Missing a test due to, for example, sleeping through your alarm or working late at a job will not receive special accommodations.

In order to be considered for a potential make-up test **you must alert me as soon as you know** you will be unable to attend class. This must be **no later than one week after the test**. I will only consider granting a make-up test for students who contact me later than one week if their situation would reasonably prevent them from contacting me earlier.

To inform me of your inability to attend an in-person test and to request a make-up, please complete these steps:

- 1) Obtain **one** of the following pieces of documentation to verify your absence:
 - i. Absence declaration form via [ACORN](#)
 - When submitting via ACORN, please send the verification email to the course inbox: eco202y1y.b@course.utoronto.ca
 - Note that you may only use one absence declaration per term across all of your courses. If you have already used this declaration, please provide another piece of documentation.
 - ii. Verification of Illness or Injury Form ([VOI](#))
 - iii. College Registrar's letter
 - iv. Letter of Academic Accommodation from Accessibility Services
- 2) Complete the Missed Term Test form on Quercus and attach your documentation from the previous step. The date at which this is submitted will be used when considering your request. Please **do not** include any additional medical information or personal letters beyond what is included in the documentation outlined above.
- 3) One week after submitting the Missed Term Test form you will receive an email from me that will either: approve your request for a make-up, ask for more information, or deny your request. If you feel you I have not treated your request fairly you may contact your College Registrar to mediate.

The above steps **must be followed** to receive consideration. Please review Arts and Sciences policy details here: <https://www.artsci.utoronto.ca/current/academics/student-absences>

There will be **one make-up midterm** scheduled for the end of the Spring semester (sometime following midterm 3 but before the final exam period). This exam will cover material from the entire year and will replace your grade on the exam you missed. There will also be one **make-up writing assignment** scheduled for the end of the Spring semester. There will be **no other make-up tests scheduled**. If you miss two midterms you will only be able to make-up one. If you anticipate that may happen please contact your College Registrar as soon as possible to discuss your academic plans.

If you are facing significant difficulties in attending class or completing assignments that continue for longer than a week you should contact your [College Registrar](#) immediately for assistance.

Notice of Crowdmark

This course will use Crowdmark, a collaborative online grading tool for marking and providing feedback on graded term assessments. Crowdmark provides efficiencies with grading, data recording, returning term assessments and handling regrade requests. Copies of student work marked in Crowdmark, including grading and feedback, will be available online to students for at least one year. Digital (i.e., online) copies will serve as the authoritative record for course administrative purposes, and paper copies of assessments scanned and uploaded to Crowdmark will be destroyed after the term has ended and final grades are approved. If you have questions about how your information is stored on Crowdmark, please contact me via email.

Notice of Lecture Recordings

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session. Course videos and materials belong to myself and the University and are protected by copyright. Do not download, copy, or share any course or student materials or videos without my explicit permission. For questions about the recording and use of videos in which you appear, please contact me via email.

Accessibility, Inclusion, and Support Resources

Students with diverse backgrounds, perspectives, learning styles and needs are welcome in this course. I want the classroom to be an open and welcoming environment where everyone feels comfortable to raise their hand and speak. If you feel there are things I could do better to improve the inclusion in the classroom please let me know.

Additionally, the university provides a variety of support services for students:

- For course catalog questions including prerequisites, please contact the Department of Economics [undergraduate administrator](#).
- If you require accommodations for a disability or health concern please visit the [Accessibility Services Office](#). You can register your needs with [Accessibility Services](#).
- For resources to promote your academic success, visit the [Academic Success Centre](#).
- The university provides all students with free 24-hour access to the [U of T Telus Health Student Support](#) line. You can confidentially speak with a counsellor about any mental health or life issues affecting you, or set-up an appointment for ongoing support. This is

a fantastic resource; I suggest using it early, before the stress of the semester piles up, so that you will be more confident to face future challenges.

- For long-term issues that are impacting your academics, contact your [College Registrar](#).

Academic Integrity

Academic integrity is central to a UofT education. We take academic integrity very seriously, and so should you. As a member of the university community you have committed to act with honesty, trust, fairness, respect, responsibility and courage in all academic matters. No student plans on violating this commitment at the initially, but most academic integrity violations occur due to circumstance: fast-approaching deadlines, falling behind in work, worrying about poor performance, or anything that causes stress. In these cases, cheating is **not** the easy way out. Not only do you cheapen the time you spend here, but the risk of failing the class and setting back your academic progress is extremely high. To avoid making an academic integrity violation, follow these guidelines:

- **Do your own work.** We design course work to develop and assess skills useful in upper-level courses and the job market. You lose a valuable opportunity to develop these skills and lower the value of the UofT brand when you cheat.
- **Properly acknowledge other people's ideas.** You'd want the same for your ideas.
- **Ask if you are unsure.** I have tried to be clear about the resources and potential for collaboration allowed on each assignment. If you are still unsure after reviewing the syllabus, please ask me. Being unsure of what constitutes an academic integrity violation is not an excuse, and will still be fully report to the Department of Economics and the Office of Student Academic Integrity.
- Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).
- Read the University of Toronto's Code of Behavior on Academic Matters (<https://www.artsci.utoronto.ca/current/academic-advising-and-support/student-academic-integrity>).

Use of Generative AI for Assignments (ChatGPT)

You are not allowed to use any outside aids, including generative AI, during the in-person assignments (tutorials, midterms, final exam, or writing assignments). You are welcome to use generative AI as a learning aid when studying or completing online practice problems. Please be aware of the limitations of this technology in general, such as hallucinations and inaccurate information, and for our course specifically. Regrade requests which use answers from ChatGPT, for example, will not be successful.

Topics Outline

Below is a tentative sequence of topics we will cover. The actual order and material covered may differ throughout the year.

Topic	Chapter	Description
Introduction	1-3	Measurement and Introduction to Long-run Growth
Long Run	4	A Model of Production
	5	The Solow Growth Model
	6	Growth and Ideas
	N/A	Growth and Institutions
	7	Labour Market, Wages, and Unemployment
	16	Neoclassical Consumption Model
	17	Investment
	8	Money and Inflation
Short Run	9	Introduction to the Short Run
	10	The Great Recession: facts and causes
	11	The IS Curve
	12	Monetary Policy and the Philips Curve
	13	Stabilization Policy and the AS/AD Model
	14	Financial Crises and the AS/AD Model
	15	DSGE models
Government and International	18	The Role of Government
	19	Introduction to International Trade
	N/A	Theory and Evidence of Trade Tariffs
	20	Exchange Rates and International Finance